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NEW ROLE OF STATE ARBITRATION AUTHORITIES UNDERLINED

Moscow EKONOMICHESKAYA GAZETA in Russian No 30, Jul 80 p 2

[Unattributed article: "Arbitration Under the New Conditions"]

[Text] The practical implementation of the measures to improve the economic mechanism presupposes the extensive utilization of legal means for a further increase in production efficiency, the strengthening of state discipline and the fulfillment of plan quotas and contractual obligations.

The Contract Is the Basis

The practice of the work of the state arbitration commissions testifies that industrial disputes frequently arise upon the conclusion of contracts between enterprises. Shortcomings in planning at the enterprises and the imbalance of production, material-technical supply and construction plans are the cause of many of them.

A considerable number of industrial disputes is caused by the fact that the supplier-enterprises relinquish the production and supply of products and commodities in the assortment needed by the customer without justification and strive for the establishment in the contract of unjustifiably protracted delivery times and also the inclusion in the contract of conditions limiting or excluding material responsibility for a violation of contractual obligations.

Many industrial disputes also arise in the process of realization of the concluded contracts. Last year, for example, over 600,000 disputes were settled which had arisen in connection with the nonfulfillment and inappropriate fulfillment of industrial contract obligations. A large number of disputes concerned the collection of forfeits for the undersupply and late supply of products and commodities. Last year the state arbitration commissions levied R890 million in fines and forfeits, including R366 million for violations of supply obligations. The decisive removal of these negative phenomena constitutes an important practical task both of the state arbitration commissions and also the parties involved in settling the disputes and their higher organizations.

The role and significance of the contract increase considerably under the new operating conditions. The production associations (enterprises) and organizations now determine in their annual plans the list (assortment) of products to be produced as per customers' orders in accordance with concluded contracts. The results of enterprise economic activity should also be evaluated by proceeding primarily from the fulfillment of product supply plans as per the list and assortment within the set times in accordance with concluded contracts (orders).

All this is making increased demands on the determination in the contracts and fulfillment of the conditions concerning the product list (assortment). It is essential to clearly determine right at the stage of conclusion of the contracts the supply conditions, the obligations of the parties and their responsibility in order to avoid unnecessary industrial disputes.

As the practice of arbitration shows, an incorrect, narrowly departmental approach on the part of certain managers to a solution of questions connected with satisfaction of the partner's requirements as per the contract is often the cause of disputes. In refusing to satisfy customers' requirements the suppliers often refer to the fact that the production plan approved for them by the ministry does not provide for the products required by the customers. At the same time the customers, in justification of their requirements, refer to their own production plans and to the need for the increased manufacture of highly efficient products and a broadening of and improvement in the commodity assortment. The arbitration authorities should put a stop to suppliers' refusals to set up the production of products needed by the customers.

There are also, unfortunately, instances of a localistic approach to the fulfillment of contracts. Thus in 1979 the "Kirgizpotrebsoyuz" was to have shipped 5,695 tons of unwashed wool to the Dzhambul Primary Wool-Processing Factory of the Kazakh SSR Ministry of Light Industry. But in actual fact only 800 tons were shipped, the remainder being dispatched, outside of the plan, to the Tokmak Factory of the Kirgiz SSR Ministry of Light Industry. The USSR State Arbitration Commission exacted a forfeit of approximately R500,000 from the "Kirgizpotrebsoyuz" for the violation of supply discipline.

Party and government decisions of 12 July 1979 established that as of 1980 ministries and departments must formulate and confirm with the participation of the USSR Gosplan for the production associations (enterprises) with regard for their specialization a list of industrial-engineering products to be manufactured and supplied. In accordance with this, the customers and supply-sales organizations conclude contracts for the supply of the products they need within the limits of allocated resources. Implementation of these important measures will make it possible to improve work on the conclusion of contracts and considerably reduce the number of disagreements between suppliers and customers with respect to the list of the products to be supplied.

Responsibility of the Managers

Legislation concerning supplies stipulates that the imposition of sanctions on supplier-enterprises for a violation of their obligations is not only the right of the client-enterprise but also its duty. It should be noted that sanctions for a violation of contractual obligations with respect to product supplies should now be imposed obligatorily without mutual set-offs.

Yet there are frequent instances of these requirements being violated. Supplier-enterprises frequently unjustifiably refuse to satisfy the claims presented to them for the payment of sanctions and send incontestable matters to arbitration. There are instances of the mutual granting of "amnesty" for illegal agreements between suppliers and customers, disinclination to exact penalties and of the imposition of less than full sanctions. The Kungur Footwear Production Association, the Arkhangel'sk Knitwear Factory, the Ufa Garment Association of the RSFSR Ministry of Light Industry and the "Gor'kiystroymaterialy" and "Perestroymaterialy" production associations have repeatedly permitted instances of the nonpresentation of claims.

Such actions are a flagrant violation of state discipline, and the business management authorities must put a decisive stop to them. In disclosing such violations the state arbitration commissions are obliged to institute proceedings on their own initiative and direct fines to be paid into the budget and also to raise the question of the responsibility of the business managers who permitted the violation of established procedure.

Legislation stipulates the obligation of enterprise managers and their deputies to participate in the drawing up of contracts and to personally examine disagreements arising in the conclusion of contracts. Where these requirements are met, the agreements concluded by the enterprises become an important means of accomplishing the tasks of an increase in production efficiency and work quality and facilitate the successful fulfillment of plan quotas.

An effective measure of increasing the responsibility of business managers for the fulfillment of plan quotas and contractual obligations is the attribution in the established procedure of the sanctions imposed on enterprises to the officials who are to blame for the violation of the obligations. It is essential that this measure be implemented in practice more consistently and actively.

Improving the Work of the Arbitration Authorities

An important condition of the successful implementation of measures to improve economic connections and contractual relations is an improvement in contractual work directly at the enterprises.

There is precise observance of plan discipline where this work is well organized, loopholes for negligent management and extravagance have been closed

and a reliable barrier has been erected to various abuses. Skillful use is made of legal means at, for example, the Magnitogorsk Metallurgical Combine for, among other things, reinforcing contractual discipline and in the struggle to increase product quality. However, there are still shortcomings at many enterprises in the organization of contractual and claims work. Even decisions of the state arbitration commissions on the imposition of sanctions against certain enterprises still in effect are not submitted for fulfillment in good time. In 1979, for example, the state arbitration commissions examined 128,000 cases concerning violation of the procedure of submitting and examining claims. Among these were many cases concerning the tardy bringing of suit and failure to meet the deadlines determined for replies.

The removal of violations and shortcomings in this work is an important practical task of the business managers and workers of the legal service of enterprises and ministries.

Particular responsibility is vested in the state arbitration authorities. The USSR law "On State Arbitration in the USSR," which was adopted by the USSR Supreme Soviet on 30 November 1979, makes it incumbent on these authorities to utilize legal means in every way possible to strengthen financial autonomy, intensify the policy of economies and the elimination of losses in the economy, enhance the role of the contract and develop rational economic relations and cooperation between enterprises.

Strict observance of the recently approved rules of the examination of industrial disputes by the state arbitration commission should also contribute to this.

The state arbitration commissions should render the enterprises professional assistance in contractual work. The law accords them the right of familiarizing themselves in the ministries and departments and in establishments and organizations with the practice of the employment of legislation in the conclusion of contracts and the fulfillment of obligations. It is essential that in the process of familiarization with the state of contractual work at the enterprises the state arbitration commissions not only record the shortcomings but also, in conjunction with the enterprise workers, outline concrete measures to remove them.

The arbitration commissions should pay particular attention to preventing violations. It is necessary for this purpose to make use of all the forms and methods of organizing work of the state arbitration commissions envisaged by the law.

It is advisable, among other things, to practice more extensively examination directly at the enterprises of arbitration cases connected with flagrant systematic violations of contractual obligations and breakdowns in supplies and to draw the attention of the labor collectives and public organizations to them. The state arbitration commissions should coordinate their activity with the people's control organs and people's control groups and stations in associations and at enterprises and strive with joint efforts for the elimination of abuses and violations of plan and contractual discipline.

The state arbitration commissions should send the enterprises and management bodies reports on the violations of state discipline and shortcomings in operational activity revealed during the settlement of disputes with proposals for eliminating the violations and shortcomings and, where necessary, raise the question of proceedings being instituted against those to blame and of their reimbursement of material loss. Association, enterprise and ministry leaders are obliged to adopt effective measures in accordance with the reports of the state arbitration commissions.

There are also appreciable shortcomings in the work of the arbitration authorities themselves. The editorial mailbag testifies to this. The authors of the letters point to instances of unjustifiable slowness and delays in the investigation of enterprise cases leading to the diminished effectiveness of the adopted decisions. These shortcomings must be decisively eliminated. The state arbitration commissions are called on to actively influence the accomplishment of the tasks put forward by the party and the government. In accordance with the recently adopted Procedural Instructions for Concluding Business Contracts for the 11th Five-Year Plan, the state arbitration authorities must pay particular attention to improving the content of the contracts and to insuring that they conform to legislation in effect and plan targets.

In conjunction with the workers of the state arbitration authorities association and enterprise managers must under the new conditions strengthen supply and contract discipline and promote in every way possible an increase in efficiency and quality and the active implementation of the measures for improving the economic mechanism envisaged by the party and government.

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ECONOMIC POLICY, ORGANIZATION, AND MANAGEMENT

NEW INSTRUCTIONS ON PRODUCT QUALITY CERTIFICATION ANNOUNCED

Moscow EKONOMICHESKAYA GAZETA in Russian No 35, Aug 80 pp 1-6

[Procedure for Certification of Industrial Products According to Three Quality Categories, as Approved by the USSR State Committee for Standards, the USSR State Committee for Science and Technology and the USSR Gosplan of 27 June 1980]

[Text] 1. General Provisions

1.1. Industrial products are certified by the ministries and departments of the USSR and the union republics in accord with the Decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979 No 695, the Decree of the USSR Council of Ministers of 11 December 1979 No 1093, the current procedure which is compulsory for all ministries and departments, and by the sectorial standards on the procedure for conducting industrial product certification according to the three quality categories, as elaborated by the manufacturing ministries (departments) on the basis of the given procedure.

1.2. The certification of industrial products is an important means for raising the technical level and quality of the products, improving the technology and organization of their production, for a thorough and objective evaluation of the technical level and quality of the product, for further expanding the production of high-quality articles and systematically replacing the products.

Certification is preceded by the carrying out of a range of preparatory organizational-technical and economic measures by the ministries (departments).

1.3. Certification for the three quality categories (higher, first and second) is to be carried out for the industrial products constantly produced by the enterprises and organizations under the list determined by the manufacturing ministry (department) and approved by the USSR State Committee for Standards [Gosstandart] or the USSR Gosstroy (for the corresponding product range), as well as by the USSR Gossnab for the products

distributed by this committee, and by the USSR Ministry of Trade for consumer goods.

In individual instances, the manufacturing ministries (departments), instead of the designated list, can determine in the same procedure a list of products not subject to certification.

Changes in the product list are made with the agreement of the ministries (departments) which approved these lists.

1.3.1. The union republic ministry (department) of an union republic is to be guided by the product list requiring (not requiring) certification of the corresponding union republic ministry (department) of the USSR.

The product lists requiring (not requiring) certification of the republic ministries (department) of an union republic are approved by the republic administration of the Gosstandart or Gosstroy of the union republic (for the corresponding product range), as well as with the union republic gossnab for the products distributed by this committee, and by the union republic ministry of trade for consumer goods.

1.3.2. The constantly produced product includes the industrial product which defines the specialty of the ministry (department) the range of which is provided for in the "General Union Classifier. National Economic Sectors" as approved by the Decree of the USSR Gosstandart of 14 November 1975 No 18, as well as particularly complicated products produced under contract with clients (consumers) and not stipulated in the designated classifier.

1.3.3. In all instances the following are not subject to certification: Product which has not undergone industrial processing; product supplied only for defense needs; spare parts and preassembled articles for products removed from production; food products, medical-purpose products and perfume-cosmetic goods; jewelry articles manufactured by the creator or with a predominance of manual labor; articles of the artistic trades, book products and works of art.

Crating and packaging are also not subject to certification according to the three quality categories.

In valid instances products not to be certified can include other continuously produced industrial products.

1.3.4. The lists of products and the amendments to them as approved by the minister (the leader of a department) or by his deputy are sent by the manufacturing ministry (department) to all the ministries (departments) which have approved these lists, and copies of the lists are also sent to the departmental enterprises and organizations.

1.4. The certification of a product newly produced at the manufacturing enterprise should be carried out no later than within 1 year, and for particularly complicated products, no later than 2 years from the start of its series production.

The USSR Gosstandart and its republic administrations (for products the list of which they have approved) have the right to extend this date in individual instances.

Regular certification of the products should be carried out no later than 2 months before the end of the period of the ascribed quality category.

1.4.1. The list of particularly complicated products is worked out by the manufacturing ministry (department), it is approved by the minister (by the department leader) or by his deputy with the approval of the client ministry (department) (the basic consumer), by the ministry (department) which is the lead (leading) one in the production of the product and by the SNT [USSR State Committee for Science and Technology], and is sent to the USSR TsSU [Central Statistical Administration], to the USSR Goskomsen [USSR State Committee for Prices], and the Gosstandart.

1.4.2. In the certification of a newly developed product, consideration is given to the recommendations of the acceptance commission which has taken its decision in accord with State Standard 15.001-73 and the sectoral standard, as well as the ruling of the extradepartmental evaluation of the technical and economic indicators for particularly important types of products being developed.

1.4.3. Particularly complicated production and technical products with an extended manufacturing and installation cycle, of important significance for the national economy and created on the basis of inventions or analogous products (prototypes), the testing and acceptance of which are carried out in the process of its industrial operation, is to be certified when it is turned over to the client, on the dates stipulated in Point 1.4 of the current procedure.

The certification procedure for such products is to be clarified in the sectorial standards on the procedure for certifying industrial products for the three quality categories.

1.5. The classification of industrial products to the higher quality category and the establishing of the period that this category is in effect are carried out by the state certification commission set up by the manufacturing ministry (department) of the certified product.

If the product submitted for certification for the higher quality category does not meet the requirements set for this category, the state certification committee classifies it in the corresponding (first or second) quality category.

1.7. The classifying of an industrial product to the first or second quality categories and the establishing of the time for which first category is to be in effect are carried out by the sectorial certification commission set up by the manufacturing ministry (department) of the certified product.

1.8. The certification of industrial products is carried out in accord with the head certification plans which are worked out on the basis of the established specifications for the growth of production for higher quality products and the lists provided in Point 1.3 of the current procedure. The certification plans are approved by the ministry (department) manufacturing the industrial product with the agreement of the client ministry (department) (the basic consumer), and for products of higher quality category also with the approval of the Ministry of Foreign Trade (for exported products and products promising for export).

1.8.1. The certification plan for industrial products in the higher quality category with the designating of the product production volumes is to be submitted 6 months prior to the start of the year being planned by the ministry (department) manufacturing the industrial product to the USSR Gosplan, the GOST, the USSR Gosstat, Gosstandart and the USSR Gosstroy.

1.8.2. In setting the dates for carrying out certification in the plans, consideration is given to the fact that all serially produced commodities submitted to the annually held interrepublic and republic wholesaler sales fairs for consumer goods should be certified according to the quality categories.

1.9. The higher quality category should include the industrial products which in terms of the indicators of the technical level and quality surpass the best domestic and foreign achievements or conform to them, which determines technical progress in the national economy, provides a significant rise in labor productivity for a savings in materials, fuel and electric power, and satisfies the demand of the nation's population and is competitive on the foreign market.

These products should be characterized by stable indicators for the technical level and quality based on the strict observance of production discipline and high manufacturing skills.

Increased guarantees of reliability, durability and other quality indicators, as a rule, should be provided for products of the higher quality category by the manufacturer.

1.9.1. To be considered an industrial product of the higher quality category is the product for which a decision of a state certification commission has been registered with the Gosstandart bodies for classifying the product in the higher quality category, and a certificate has been issued in accord with the decree of the USSR Council of Ministers of 11 December 1979 No 1093.

1.1. The certificate certifying a product for the higher quality category (Form 1) is issued to the manufacturing enterprise (organization) over the signature of the leader of the ministry (department) manufacturing the product and that of his deputy.

1.2. A product is to be considered in the higher quality category as of the day the certificate is registered in the standard bodies for classifying the product in the higher quality category; the period established by the State Certification Commission for which the higher quality category is to be issued is counted from this same date.

1.3. The industrial product of higher quality category should be designated by the "High Quality Mark" in accord with State Standard 1.9-67.

1.4. The program of quotas for increasing the production of higher quality goods is carried out in accord with the "Procedural Instructions for the Execution of the State Plans for the Economic and Social Development of the USSR" as approved by the USSR Council and the "Procedural Instructions on the Procedure for Planning and Accounting for the Growth of Production for Higher Quality Products (Basic Provisions)" as approved by the USSR Council, the GOST and the USSR TsSU of 12 August 1979 No NS-15-D.

2.1. The first quality category should include the industrial products which in terms of the indicators of the technical level and quality meet the highest requirements of the standards (technical conditions), satisfy the needs of the national economy and the population, and are characterized by a stability of the indicators for technical level and quality as based on the strict observance of production discipline and high manufacturing methods.

2.2. The second quality category should include industrial products which in terms of the indicators of the technical level and quality do not meet the highest requirements of the national economy and the population, which are however still to be modernized or taken out of production.

2.3. The industrial product of the first or second quality category is considered that product for which a corresponding decision of the certification commission has been approved and registered by the manufacturing ministry (department).

2.4. A product is considered in the first or second quality category as of the day the corresponding decision of the certification commission is confirmed with the manufacturing ministry (department).

2.5. In certifying products in the three quality categories, consideration should be given to its artistic and aesthetic qualities and characteristics, and for light industry products, as well the requirements of fashion and conformity to the established models (standards) established in State Standard 15.601-74.

1.9. For the products of type of products to be certified in the quality standards, the requirements indicated in points 1.9, 1.10 and 1.14 of the current inventory are met by a range of indicators in the standards of the system of quality indicators worked out by the head (leading) ministry (department) in choosing these products.

1.10. An industrial product which forms a type-size (parametric) series controlled by a standard (by technical conditions) and produced by one enterprise under one standard (technical conditions) can be certified as one size from a typical representative of this series which characterizes the quality of all the certified articles. In this instance, the entire series is indicated under one number and is considered as one name.

1.11. A aggregate of various articles having a common operational purpose and produced by an enterprise in sets, sizes, finishes, and so forth (for example, articles comprising a furniture suite or a dining room set) is indicated as one name, recorded under one number and considered as one name.

1.12. Certification is not permitted for the individual articles of this aggregate not envisaged by the production plan as independent items.

1.13. In certified products which are divided in terms of quality grades set by the technical regulatory documents and determined by the need for the rational utilization of resources (for example, for the grades according to State Standard 15467-75), only the higher grade product can be put in the higher quality category.

1.14. In marking such a product with the state quality sign, the marking different for the given quality grade is not used.

1.15. A certified product which is turned over for production to one enterprise by another should be recertified following the general procedures.

1.16. In taking the decision to halt the output of a higher quality product at an enterprise, the manufacturing ministry (department) informs the Government and the USSR Ministry of this (for the appropriate product grade).

1.17. An assessment of the technical level and quality of the preassembled (subassemblies and assembly units) supplied by related enterprises and subcontractors influencing the quality of the end industrial product manufactured at the plant (the basic consumer) should precede, as a rule, the certification of this product.

1.18. The certification can be carried out for the end product and its basic preassembled articles and assembly units received under subcontracting arrangements simultaneously by one certifying commission.

The procedure for carrying out such certification is established by the ministry (department) manufacturing the end product with the agreement of the ministries (departments) manufacturing the basic preassembled articles and assembly units and the Gosstandart or USSR Gosstroy (for the corresponding product range).

1.17. Responsibility over the work of certifying the industrial products in the country is carried out by the ministries (departments) manufacturing the industrial products.

The forms of documents to be used for carrying out this work are given in the appendix to the current procedure.

1.18. An industrial product is classified in the higher quality category for a period from 3 to 5 years, including for light industry products from 1 to 3 years.

In individual instances, a particularly complicated production or technical product with a protracted manufacturing and installation cycle as provided for in the list (point 1.4.1 of the current procedure) may be classified in the higher quality category for a period up to 5 years.

1.19. Products are considered in the first quality category for a period up to 3 years, and light industry products for a period up to 2 years.

1.20. For industrial products considered in the second quality category, a certification commission issues the manufacturing ministry (department) a recommendation either for removing the product from production or for modernizing it.

1.21. The period for removing a second quality product from production or modernizing it is established by the ministry (department) manufacturing the industrial product with the agreement of the ministry (department) which is the client (basic consumer) of the industrial product, by the head (leading) ministry (department) in producing the product, by the USSR Gosplan (the Union republics gosplan) and the USSR Gosstat (the Union republics gosstat).

1.22. The ministry (department) manufacturing the industrial product each year submits to the USSR Goskomsn, the USSR TsSU and the organization approving the standards (technical conditions) a list of the second quality industrial products with an indication of the date the products are to be removed from production or modernized.

1.23. The period the standards (technical conditions) are in effect for the second quality industrial products should be limited by the organization which approved these standards (technical conditions).

1.24. The established time the higher quality category is to be in effect cannot exceed the period the standards (technical conditions) are in effect and which were used for producing the certified industrial product.

1.9. The period the quality categories are in effect cannot be extended without carrying out recertification.

1.10. Control over the observance of the requirements for certification and for the quality of the certified product is exercised by the manufacturing ministries (departments), the Gosstandart and the USSR Gosstroy (for the appropriate product range), as well as the USSR Ministry of Domestic Trade (for consumer goods).

2. Preparations for Certifying Industrial Products

2.1. The ministries and departments which are the head (leading) ones in producing the product for the range assigned to them:

2.1.1. In the standards of the system of product quality indicators establish the range of indicators for the product to be certified with this range being essential and sufficient for reflecting the demands made upon the quality categories stated in Points 1.9, 1.10 and 1.14 of the current procedure;

2.1.2. In the documents provided by the state standardization system they establish methods compulsory for all ministries (departments) for assessing the technical level and quality and to be used in classifying the product being certified in the quality categories;

2.1.3. They supply the other ministries (departments) with information on the technical and economic indicators for analogous domestic and foreign examples, as well as other reference and information materials needed for assessing the technical level and quality of the product.

2.2. The ministries (departments) which work out the standards (technical conditions), in accord with the requirements of the state system for the standardization of the appropriate quality categories, set in them indicators the range of which is stipulated for certification in the standards of the system of product quality indicators.

The setting of these indicators is carried out using information provided in Point 2.1.3 of the current procedure.

2.3. The manufacturer ministry (department) for the product being certified submits the following to the state certification commission:

a) A draft of the decision by the state certification commission with an informational chart;

b) The standard of the system of product quality indicators;

c) A document showing the methods for assessing the technical level and quality of the product in accord with Point 2.1.2 of the current procedure;

d) The standards (technical conditions) by which the industrial product being certified is to be produced with the appending of an informational chart for calculating the economic effectiveness and prices of the new products (for newly produced products) in accord with the instructions of the RD1 [expansion unknown] 105-77, the RD1 117-78 and the RD1 126-78;

e) Charts showing the technical level and quality of the product (State Standard 2.116-71) or a document replacing this as provided for by the sectorial standard on the procedure for certifying industrial products in the three quality categories;

f) Opinions of the All-Union Scientific Research Institute for Industrial Design (VNIITs) of the GKNT on the design level of the new types of cultural, service and household goods (according to the established range);

g) An opinion of the Gosstandart body at the location of the enterprise manufacturing the product to be certified in the event that the state certification committee does not include a representative from this body;

h) An opinion of an outside expert review of the technical and economic indicators for particularly important types of products being developed (from the list determined in the established manner);

i) A copy of the act of the acceptance commission in accord with State Standard 15.001-73 (for new or modernized products being certified for the first time);

j) The response of the client (basic consumer) ministry (department) on the results of operating (using) the product to be certified;

k) A sample of the currently produced product (for the certification of light industry products).

2.3.1. The list of the documents to be submitted for classifying a product in the first or second quality categories is established by the manufacturing ministry (department) in the sectorial standard on the procedure for certifying industrial products in the three quality categories.

Here the submission to the sectorial certification commission of a draft decision on classifying a product in the quality categories and the standard (technical conditions) under which the product being certified is to be produced is required.

2.3.2. The certification commissions have the right to demand from the enterprise additional data describing the technical level and production conditions for the product being certified, the basic preassembled articles and assembly units, as well as the carrying out of additional testing.

3. Membership and Working Procedure of Certification Commissions

3.1. The membership of the state certification commissions being set up by a manufacturing ministry (department) is approved by the minister (leader of the department) or by his deputy.

The commission should include representatives from the ministry (department) which is the client (basic consumer) of the product being certified, from the ministry (department) which is the head (leading) one in the production of this product, from the ministry (department) which is the manufacturer of the product being certified, from the USSR Gosstandart or the USSR Gosstroy (for the appropriate product range), from the Ministry of Foreign Trade (for products which are to be exported or are promising for export),* from the USSR Ministry of Trade or the Union republic (for consumer goods), from the union republic ministry of consumer services for the public (for the approved range of consumer goods)* and the AUCCTU or the appropriate central trade union committee (for products for which requirements are made for labor safety and protecting public health).

When necessary, representatives of other organizations may be included as members of a state certification commission.

A state certification commission includes one representative each from the designated ministries (departments) or their subordinate organizations, the skills and experience of which should provide for the taking of objective and sound decisions on classifying the products in the quality categories.

Representatives from the enterprises manufacturing the product are not to be included as members of state certification commissions.

The representative from the ministry (department) which is the client or basic consumer of the product, the Gosstandart or the USSR Gosstroy (for the appropriate product range) is appointed the chairman of the state certification commission.

When necessary changes in the membership of a state certification commission are carried out in the procedure established by the minister (department leader) or by his deputy.

3.2. Certification of a production or technical product is carried out at the manufacturing enterprise.

*The product range is determined by the manufacturing ministry (department) with the agreement of the Ministry of Foreign Trade and the union republic ministry of consumer services for the public (respectively), and the Gosstandart and USSR Gosstroy are informed (for the corresponding product list).

A product of particular complexity (point 1.4.1 of the current procedure) can be certified at the place it is operated.

In certifying consumer goods, the work place of a state certification commission is determined by the commission chairman with the approval of the manufacturing ministry (department).

The enterprise (organization) at which the state certification commission works provides the necessary conditions for its activities.

3.3. The manufacturing ministry (department) no later than 1 month prior to the start of the work of the certification commission informs the organizations whose representatives are members of the commission as to the date and place of the commission's work.

The leaders of the organizations promptly send specialists for participating in the work of the commission, and they support and supervise their work on the commission.

3.4. A state certification committee assesses the completeness and correctness of drawing up the materials submitted for the product being certified, it reviews the possibility of certifying the product according to the quality categories, it checks the conformity of the product to all the demands set for the higher quality category, and takes a decision on classifying the product in the appropriate quality category.

3.5. The decision of the state certification commission is taken by open voting and is considered approved if at least 75 percent of the listed membership has voted for it, including, the chairman of the ministry (department) which is the client (basic consumer), the Gosstandart or the USSR Gosstroy (for the appropriate product range) and the Ministry of Foreign Trade (for the appropriate range).

The members of a state certification commission who have a dissenting opinion sign the decision of the state certification commission with the comment "with a dissenting opinion" and this is given in the decision without fail. The dissenting opinions on the decisions approved by a state certification commission are reviewed by the leader of the manufacturing ministry (department) or by his deputy in settling the question of issuing a statement on the certifying of the product in the higher quality category.

The Gosstandart reviews the dissenting opinions of the members of the state certification commission in recording the decisions on classifying a product in the higher quality category, and takes the final decision from them. For products which are under the product range of the USSR Gosstroy, the dissenting opinions are reviewed in taking the final decision by the USSR Gosstroy.

3.6. The membership and work procedure of sectorial certification committees are established by the manufacturing minister (department) in the

sectorial standard on the procedure for certifying industrial products in the three quality categories.

Here, the membership of sectorial certification commissions includes without fail representatives from the client (basic consumer) ministry (department), the ministry (department) which is the head (leading) one in the production of this product, and the ministry (department) which is the manufacturer of the product being certified.

4. According to the Decisions on the Classification of a Product in the Quality Categories

4.1. The ministries (departments) manufacturing the products to be classified in the higher quality category submit the following materials to the Gosstandart bodies:

- a) A copy of the order on the membership of the state certification commission;
- b) The decision of the state certification commission with the information chart (in three copies);
- c) The statement on certifying the product in the higher quality category over the signature of the leader of the ministry (department) or of his deputy;
- d) The standard in the system of quality indicators for the product being certified;
- e) The standard (technical conditions) for the product being certified with the information chart for calculating the economic effectiveness and prices of the new products (for newly developed products);
- f) The chart of the technical level and product quality or a document replacing it provided for under the sectorial standard on the procedure for certifying industrial products in the three quality categories;
- g) The opinion of the VNIITE of the USSR GOVT on the design level of the new types of cultural, domestic and household goods;
- h) The opinion of the Gosstandart body at the location of the enterprise which is to manufacture the product being certified in the event that a representative from this body was not a member of the state certification commission.

Examples of the product being certified are not submitted.

All the designated materials are sent to the Gosstandart bodies under a cover letter no later than 1 month from the day the decision was taken by the state certification commission on classifying the product in the higher quality category.

4.2. The documents are to be typed so as to provide the possibility of attaching labels.

4.3. For the products considered within the product range of the USSR Gosstroy, the materials of the certification, in accord with Point 4.1 of the current procedure, are to be submitted by the ministry (department) manufacturing the industrial product to the Gosstandart bodies after approval by the USSR Gosstroy.

4.4. The Gosstandart bodies using the materials submitted for registration verify the following:

a) The conformity of the product to be certified to the requirements of Point 1.3 of the current procedure;

b) The completeness of the documents and the observance of the date for submitting them for registration;

c) The completeness and correctness of drawing up the materials;

d) The conformity of the membership of the state certification commission and the procedure for taking the decisions to the established requirements;

e) The validity of classifying the product in the higher quality category (according to the technical regulatory documents and the decision of the state certification commission with the information chart).

4.5. With positive results from the check of the materials, the decisions of the state certification commissions are recorded, and an entry is made of this in the register for decisions on classifying products in the higher quality category, as well as on the decision of the state certification commission, its information chart and the certificate of certifying the product in the higher quality category.

The registration date is not more than 2 weeks from the date of the receipt of the materials.

4.6. The registered decision of the state certification commission with the information chart (one copy) and the statement on certifying the product in the higher quality category with the cover letter of the Gosstandart are returned to the manufacturing ministry (department).

4.7. The ministry (department) sends to the enterprise manufacturing the product certified for the higher quality category the statement and registered decision of the state certification commission, and the appropriate information to the organization which has developed the given product, if this is not the manufacturing enterprise.

4.8. The decision of the state certification commission to classify a product in the higher quality category when the certification materials do

not meet the requirements of Point 4.4 of the current procedure, is not registered and is returned to the manufacturing ministry (department) for product recertification.

With a violation of the requirements for drawing up the materials, they are returned to the ministry (department) which manufactures the industrial product with the cover letter for elimination of the designated violations within a 1-month period.

4.9. The materials of the certification commission on the classifying of the product in the first or second quality category are examined by the leadership of the ministry (department) manufacturing the product, and with positive results of the review, the decision of the certification commission is approved and registered with the manufacturing ministry (department) in the procedure established by it in terms of the provisions of the current section.

4.10. The ministry (department) sends to the enterprise manufacturing the product certified for the first or second quality category the registered decision of the certification commission, and the corresponding information is sent to the organization which developed the given product, if this is not the manufacturing enterprise.

5. Encouraging the Production of Certified Products

5.1. The production of certified products is encouraged in accord with the current provisions.

5.2. For encouraging the production of certified products, use is to be made of price surcharges and rebates, the economic incentive funds of the enterprises (organizations), the reserves of the economic incentive funds of the ministries (departments), as well as various forms of material and moral incentives for the enterprise (organization) employees directly involved in producing the certified products.

5.3. The establishing of rebates and surcharges for the wholesale prices for production and technical products is to be carried out in accord with the "Instructions on the Procedure for Setting Incentive Surcharges on Wholesale Prices for New Highly Effective Production and Technical Products and Rebates on Wholesale Prices for Products of the Second Quality Category, As Well As for Products Which Have Not Been Certified Within the Established Time" as approved by the USSR State Price Committee on 27 November 1979 No 752.

In certifying an incentive surcharge on the wholesale price for a new highly effective production and technical product, the basis for this is the instrument of the acceptance commission drawn up in accord with State Standard 15.001-73 and containing recommendations on certifying the given product in the higher quality category and also a chart of the technical level and product quality drawn up in accord with State Standard 2.116-71.

In delivering machinery, equipment and instruments with the higher quality category for the foreign market, an incentive surcharge is permitted above the export surcharge on the prices for these products on the basis of a decision of the Ministry of Foreign Trade in accord with the procedure outlined by the letter of the USSR Goskomsen of 12 July 1973, No 10-86/1534.

7.4. The establishing of temporary retail and wholesale prices for new consumer goods of superior quality and the procedure for using the temporary surcharges on the fixed prices for new improved-quality goods are carried out in accord with the "Instructions on Temporary Prices for New Improved-Qual. / Consumer Goods" as established by the USSR Goskomsen, the USSR Gosplan and the USSR Ministry of Finances in 1977 (13 May No 10-15/1444, 13 June No NM-25-D, and 13 June No 36).

7.5. The procedure and forms of material and moral incentives for employees at a specific enterprise are determined by the enterprise leader with the agreement of the trade union committee.

7.6. The collectives of enterprises which have achieved the best results in fulfilling the planned quotas and socialist obligations to produce higher quality products are annually awarded the Diploma of the AUCCTU and Gosstandart "For Achieving Best Results in the Production of Higher Quality Products" in accord with the Decree of the Presidium of the AUCCTU and the USSR Gosstandart of 3 September 1976 No P-14/30.

The forms and amounts of material incentives for the collectives of enterprises which have been awarded the diplomas of the AUCCTU and the Gosstandart are determined by the ministries (departments) together with the appropriate central trade union committees.

7.7. The sanctions established by the Decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979 No 695 are to be applied against enterprises producing products of the second quality category.

8. Statistical Reporting on the Certification of Industrial Products

8.1. Statistical reporting on the products of the higher, first and second quality categories, on products not certified within the established time or not subject to certification (with the isolating of newly developed products) is to be carried out in the procedure and according to the forms established by the USSR TsSU, the Gosstandart and the USSR Gosplan.

8.2. In assessing plan fulfillment, the production volume of products with the higher quality category is correlated to the overall production volume of commodity product, and in comparing the operations of the enterprises, organizations and regions, with the production volume of products to be certified.

In assessing plan fulfillment, the products which have not been certified within the established time are considered as the second quality category along with the products put in this category in certification.

6.3. A newly developed product prior to certification at the dates set by the manufacturing ministry (department) in accord with Point 1.4 of the current procedure is considered as product not subject to certification.

6.4. The industrial product consumed within the plant is not included in the output volume of the product in the corresponding quality category.

6.5. A qualitative count of the higher quality product is carried out on the basis of the certificate for certifying the product in the higher quality category. Here the number of higher quality product types in the statistical reporting should conform to the number of registration numbers indicated in the certificates.

With the approval of the current procedure, the following are considered null and void: "Basic Provisions on the Procedure for Certifying the Products of Machine-Building and Other Industrial Sectors" approved by the USSR Gosstandart, the GKNT and the USSR Gosplan of 17 July 1974 No 26-39/178--F/AB-19-D, as well as the "General Procedural instructions. Procedure for Certifying Industrial Products. OMU 29-74" and the "Procedural instructions. Procedure for Certifying Machine Building Products. MU 28-74" as approved by the USSR Gosstandart on 1 August 1974.

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CMO: 1620

PLANNING AND PLAN IMPLEMENTATION

BACHURIN DISCUSSES CURRENT PLANNING

Moscow EKONOMICHESKAYA GAZETA in Russian No 28, Jul 80 p 8

[Article by A.V. Bachurin, deputy chairman of the USSR Gosplan: "On a Single Procedural Basis"]

[Text] The 5-year plan becomes the main form of planning economic and social development and the basis of the organization of economic activity under the new conditions. This requires a high level of substantiation of the quotas and the stable nature of the indicators and economic norms for each year of the 5-year plan.

In accordance with the instructions of the CPSU Central Committee and USSR Council of Ministers, the central planning authorities, with the participation of ministries and departments and republic authorities, are drawing up the draft main directions of the country's economic and social development. Following the decision of the CPSU Central Committee June Plenum, the main directions will be discussed at the 26th party congress.

A singularity of the formulation of the 11th Five-Year Plan is the fact that it is being shaped with the use of data of the Comprehensive Program of Scientific-Technical Progress for 20 Years, which is broken down into 5-year periods. The USSR Academy of Sciences, the USSR State Committee for Science and Technology, the USSR Gosstroy, many ministries and departments and academic and sectorial scientific research organizations participated in the preparation of the comprehensive program. The comprehensive program covers all sections of the plan, all sectors and long-term intersectorial scientific-technical problems. Of the program's 13 volumes, the first two, for example, are devoted to the prospects of the retooling of the country's economy and the development of machine building. The other volumes contain the tasks of scientific-technical progress in the sphere of metallurgy, transportation and oil, coal and other sectors of industry and of environmental protection. These tasks are closely interlinked and pursue the goal of a high final economic result in the development of each sector and the economy as a whole on the basis of the introduction of major scientific and technical developments.

It should be emphasized that the USSR Gosplan has notified the ministries and departments of the source data for the main directions for the 11th Five-Year Plan. Procedural instructions for the formulation of the state plans of the USSR's economic and social development which were approved by the Gosplan this March have also been sent out. This enables the ministries and departments and associations and enterprises to work purposefully on preparing drafts for the 11th Five-Year Plan.

Together with the USSR Academy of Sciences and the USSR State Committee for Science and Technology the USSR Gosplan has confirmed a list of target programs for the solution of scientific-technical problems which will be implemented in the 11th Five-Year Plan. The procedural instructions for their formulation have also been confirmed.

Problems have been highlighted in the national economy target programs (there are 13 of them altogether) which will be solved at the state level. These include programs for economizing on fuel and metal and building the Baykal-Amur Main Railroad and developing the zone of this unique transportation artery and scientific-technical problems in the sphere of the mechanization of manual labor. Importance is attached to expanding the production and improving the quality of consumer goods.

In addition, the USSR Gosplan, the USSR State Committee for Science and Technology and the USSR Academy of Sciences Presidium have determined a list of comprehensive programs for the solution of scientific-technical problems at an intersectorial level and of the most important scientific-technical problems in industrial sectors. Thus the timely determination of the problems in the sphere of scientific-technical progress is enabling us to incorporate their solution in the 11th Five-Year Plan.

Becoming an organic part of the structure of the 5-year and annual plans through the system of corresponding indicators, the programs of scientific-technical progress will contribute to the increased rate of growth of efficiency and quality at each enterprise, in each association and in each sector.

The procedural instructions for the formulation of the programs will help the union republic ministries and departments and councils of ministers, the local soviets and the associations, enterprises and organizations to perform practical work on a single procedural basis.

Each program should determine the stages from development through introduction. The experience of many ministries shows that gearing the developments to specific enterprises and associations plays a considerable part in the acceleration of scientific-technical progress. For this reason each program determines where it will be introduced, at what time and what the final economic effect will be.

A great deal of work is being done to improve the plan indicators. A procedure of determining physical indicators making it possible to take efficiency,

quality and other consumer properties of a product more fully into consideration has been determined primarily in machine building and certain other sectors. Among other things, gages will be introduced more extensively in the 11th Five-Year Plan reflecting the capacity and productivity of machine tools and machinery and other specifications.

Changes in the gages have been made in the plan for 1980 for 15 types of rotating-machining, handling and warehouse equipment. Physical gages for 70 types of machinery and equipment have been improved and the centrally planned list for 80 products has been broadened in machine building altogether.

I also have to mention the normative net output indicator. As the result of a prolonged and extensive experiment on the scale of several ministries we have found an indicator which is equally applicable for determining labor productivity from a brigade, enterprise and association through the ministry as a whole.

The broad transition of the remaining industrial sectors to the use of the normative net output indicator is connected with the USSR State Committee for Prices' confirmation of the lists of the new wholesale prices and simultaneously with them the net output norms, which will come into effect on 1 January 1982.

It is intended to retain the commodity output indicator mainly for the extractive sectors (the USSR Ministry of Coal Industry, the USSR Ministry of Non-Ferrous Metallurgy, the Ministry of Gas Industry and the Ministry of Petroleum Industry) and the USSR Ministry of Power and Electrification. Here the processing industry enterprises in these ministries will, as a rule, switch to the use of normative net output.

To increase the degree of substantiation of the plan quotas and balance sheet calculations the USSR Gosplan has confirmed a system of progressive norms and standards and a procedure of determining targets for an average reduction in the norms of the expenditure of material resources. The list of products in accordance with which the formulation of the balance sheets of material resources and the plans of their distribution is organized with the help of the plans of the USSR's economic and social development has been made more specific. It is important to insure the consistent application of the new plan indicators and norms in the compilation of the plans for 1981 and the 11th Five-Year Plan.

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UTILIZATION OF RESOURCES AND SUPPLY

GOSPLAN OFFICIAL STRESSES IMPORTANCE OF RECYCLING

Moscow *TRUD* 18.09.80 p. 1

[Article by A. Yurchenko, deputy chief of the USSR Gosplan Utilization of Secondary Resources Department: "Putting Waste Products to Use"]

[Text] There is probably no one left today who still needs to be told to make use of all conceivable industrial and domestic waste. The 25th party congress put this problem on a purely practical basis, obliging us to reduce a product's material intensiveness in every possible way in particular and also thanks to the consumption of secondary resources. Much has been done in the 10th Five-Year Plan in accordance with the party's directive.

We need some figures here. We currently involve annually in industrial circulation over 49 million tons of ferrous metal scrap and waste--3.5 million tons more than in the first year of the 5-year plan. The metallurgists smelt every third ton of steel from this raw material with tremendous benefit to the country--the products are 20 times less costly than when smelted from ore.

Some 60 percent of potential resources of waste paper now goes to the pulp and paper industry. The USSR Gosnab has organized the collection of secondary textile raw material, worn tires, broken glass and used polymers and, what is particularly important, the processing of these assets. In the current 5-year plan Gosnab enterprises have obtained approximately \$640 million for products from secondary resources--customers have been sold more than 115,000 tons of restored wool, over 170 million square meters of nonwoven material and fleecy jersey fabric and other commodities.

Since matters have gone pretty well planners are now pondering how to advance them. But for a start it is necessary to determine what reserves of such raw material we actually possess. Recently the USSR Central Statistical Administration and Gosplan undertook at 42 ministry and department enterprises a one-time accounting of the accumulation and utilization of secondary resources. The program was unusually wide-ranging: over 300 types of waste products were recorded. As it turned out, we are as yet processing far from fully even the resources like those which have already been valued on their merits.

Last year, for example, the plan for the supply of ferrous metal scrap was fulfilled only 91.8 percent. Enterprises of coal and automotive industry and also of the USSR Ministry of Agriculture proved to be debtors. Understandably, special attention was paid to them during a check, and no objective reasons were found for the failure to meet the quotas. Scrap procurement is now proceeding better--the plan of the first 6 months was fulfilled. Yet the additional quota for the second quarter was not met entirely.

The metallurgists (they are entrusted with collecting the scrap) explain: the waste is here, but there is a shortage of freightcars, and what has been procured is not being moved. If this is the case, it is all the more necessary to make intelligent use of each car. But it is somewhat different in practice. For several years running the Interdepartmental Commission for Rationalizing Transportation has been exhorting the USSR Ministry of Ferrous Metallurgy to stop exporting scrap from Central Asia to the Urals and Temirtau. The raw material could be used locally if scrap-reprocessing equipment were installed at the Uzbek Foundry. The equipment is nothing very complex, but even today it still does not exist at the foundry, and the scrap is transported from here to far away places, while in the other direction, to the Uzbek Foundry, trimmings from rolling production are delivered from Temirtau. We will not, of course, come across freightcars given these procedures.

Much has been written and said about the processing of metallurgical slag. And not in vain--three-fourths of blast furnace slag, almost one-half of ferroalloy slag and one-fifth of steel-smelting slag is utilized. Reserves, as can be seen, do exist, but the construction workers and manufacturers of construction materials have acquired the taste of slag, and things will go well, I do not doubt. Things are much worse when it comes to using the slag and ash from power stations. Stocks of this raw material rise annually to 90 million and more tons. It is not only suitable for the production of cement, porous fillers and other construction materials. Ash is a fine and, moreover, cheap material for the liming of acid soils.

On take the so-called pyrite cinders--more than 20 million tons have accumulated of this byproduct of sulfuric acid manufacture. It could be objected: the bulk of the cinders (63 percent, to be precise) is processed. True. But as yet they are used predominantly for cement production. Yet the cinders contain iron, sulfur, zinc, arsenic, cobalt, cadmium, silver and gold. Is this a question of throwing gold onto the garbage heap? Of course, extracting the valuable components is not easy, but thanks to research in the Central Scientific Research Institute of Prospecting for Rare, Ferrous and Precious Metals, success is indicated, and the USSR Ministry of Chemical Industry and Ministry of Nonferrous Metallurgy should right now begin to introduce profitable methods of comprehensive cinder processing.

We lose annoyingly much timber-procurement and wood-processing waste. True, the USSR Ministry of Timber and Wood-Processing Industry enterprises have begun to process an appreciable part of this raw material into industrial chips, and the use of coniferous branches has begun. However, those who lay

in their own stocks, that is, the organizations of various departments annually cut up to 100 million cubic meters of timber. They only take round timber and leave the rest to rot. And even the specialized enterprises of the timber sector have still a long way to go to the comprehensive processing of the raw material. No less than 85 percent of felling waste still perishes purposelessly.

I have already said that 60 percent of waste paper resources is currently being put to use. Seemingly, not too bad. However, this most valuable raw material must unfailingly be used in its entirety. And this is possible. When would people stand in line for hours to hand over waste paper? Yet this is not so bizarre now--after all, a good book is given in exchange for junk. Unfortunately, this experiment, which was fine in intent, reached an impasse through the fault of the USSR State Committee for Publishing Houses, Printing Plants and the Book Trade--there is a shortage of books to exchange for the waste paper. And it is not worth volunteers' while handing it over merely for cash--not worth the trouble.

Similarly, nor is the Ministry of Pulp and Paper Industry all that interested in this raw material--capacity for processing secondary resources is growing extremely slowly in the sector. Convinced that it would get nothing out of the paper industry workers, the Gosnab has begun to build its own enterprises for processing waste paper in Leningrad and Kiev.

Other resources could also be cited which are going to waste. But, clearly, what is needed is not to bewail the assets which are perishing but to act. What is planned? The government recently adopted a decree on this question. A department for the use of secondary resources has been set up in the union Gosplan. Although the next 5-year plan has yet to be confirmed, a program of work in the sphere in question can still be traced sufficiently distinctly.

A new section--"Use of Secondary Raw Material"--will appear in the state plan and the plans of ministries, departments, regions, enterprises and construction projects beginning 1981. Quotas will be stipulated here for the hand-over, procurement and processing of industrial and domestic waste. Such quotas have already been confirmed for the departments for next year and they are currently being apportioned to the enterprises. Limits will be determined for resources for the allocation and modernization of procurement and processing enterprises.

It is proposed to open approximately 2,500 acceptance centers for the collection of secondary raw material. Just under 500 new centers will begin operation in 1981. It has been decided to allocate more commodities in short supply and books for reciprocal sale to the people making the deliveries.

Henceforward the kolkhozes, sovkhozes and other customers may obtain new polyethylene film merely by handing over no less than 40 percent of the old and 60 percent of polyethylene fertilizer sacks obtained the previous year.

A highly voluminous plan has been determined for the construction of enterprises for the processing of waste paper, rags, old polymer materials and worn tires. The machine-building ministries have received concrete quotas for the manufacture of equipment for new production facilities and those being modernized.

As you see, secondary raw material has become a subject of centralized planning. Essentially, a new industrial subsector is emerging. It will enable our economy to carefully consume raw material resources which are continuously becoming more costly and which, in a number of cases, are nonrenewable.

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CSO: 1820

REGIONAL DEVELOPMENT

GOSPLAN OFFICIAL ON NEW STAGE IN REGIONAL PLANNING

Moscow PLANOVYE KHOZYAYSTVO in Russian No 8, Aug 80 pp 7-14

[Article by V. Pavlenko, deputy division chief of USSR Gosplan]

[Text] One of the important lines of the CPSU's long-range policy is coordinated sectoral and regional development of the economy. It is determined by the system for management of the national economy and of the regional aspect of planning.

The regional aspect of planning encompasses on the one hand the economic and social planning of the comprehensive development of the union republics, the ASSR's, oblasts, krais, cities and rayons, and on the other the regional breakdown of sectoral plans drafted by USSR ministries and departments, i.e., planning the development and location of sectors and enterprises in the country. At the present time the personnel of planning agencies have crucial and complicated tasks to perform in improving regional planning. These tasks arise out of the fundamental principles of the USSR Constitution and the decree of the CPSU Central Committee and USSR Council of Ministers dated 12 July 1979 and entitled "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality."

The present stage of our society's development is characterized by consistent implementation of the principle of democratic centralism--one of the fundamental principles in the system for management of the socialist state. A manifestation of this is the combination of the interests of the country and of the union republics which has been foreseen by the USSR Constitution. The constitutions of the union republics contain specific divisions on the plan and budget through which it is realized in specific terms.

A new step in this direction is the Law on Basic Powers of Kray and Oblast Soviets of People's Deputies and Soviets of People's Deputies of Autonomous Oblasts and Autonomous Okruga, which was adopted at the last session of the USSR Supreme Soviet. The procedure for planning economic development adopted for the union republics has been mainly extended to these soviets. Proceeding on the principles set forth by L. I. Brezhnev in his

address to the voters of the Naumanskiy Electoral District in February 1980, the local soviets, above all those of krays and oblasts, are to become the principal force in comprehensive economic and social development within their borders.

The decree of the CPSU Central Committee and USSR Council of Ministers dated 12 July 1979 envisages measures to carry out the principles of the USSR Constitution in the field of planning. Now 5-year and annual plans of economic and social development of union republics, krays and oblasts will encompass not only the entire economy under their jurisdiction, but will also include principal indicators for associations and enterprises under jurisdiction of higher levels.

Practical ways of achieving the procedure that has been established were also envisaged. To that end USSR ministries and departments are to communicate to councils of ministers of union republics the principal indicators of reference figures, draft plans and approved plans. Associations and enterprises submit them to local planning agencies. Planning comprehensive economic development necessitates that those agencies work at a higher level. It is above all necessary that proposals for draft plans of enterprises, associations and organizations under union jurisdiction (and at the local level those under republic jurisdiction) be drafted more thoroughly. The proposals should be aimed at revealing additional opportunities for a growth of social production and for raising production efficiency and at ensuring interlinked development of the union-level economy with the republic economy and local economy. Those matters on which responsibility for coordinating and monitoring the activity of all enterprises and organizations has been placed on local agencies by the USSR Constitution have particular importance. This reference is to land use, environmental protection, construction, use of labor resources, production of consumer goods and the rendering of services to the public.

The right to obtain from ministries and departments draft plans not only for the union republic as a whole but also for the most important enterprises located within its borders should also be put into effect. To that end gosplans of the union republics should show initiative and send lists of such enterprises to USSR ministries and departments.

Councils of ministers of union and autonomous republics and ispolkoms of local soviets have been given responsibility for compiling and approving summary plans of production of local building materials and consumer goods and of performance of construction of housing and consumer service facilities. It is important that their drafting be organized correctly and creatively. The point of departure for enterprises under union jurisdiction must be assignments approved by ministries so that they will have been backed up with resources. That is why this work should be done more thoroughly in the stage of the draft plan, so that reserves are revealed, and, equally important, their proposals should be vigorously defended in the ministries.

As we know, local building materials have long been distributed by local planning agencies. Now that these agencies will also be preparing the summary plan of their production, there is an opportunity to make better use of the existing production capacities regardless of their subordination and, consequently, to satisfy more fully the needs of construction organizations and of the public at large.

As for consumer goods, compilation of the summary plans of their production involves a study not only of production capacities, but also of the demand of the public and of orders of trade organizations. This should be the basis for putting an end to the shortages that have not infrequently occurred of those ordinary consumer articles which can be successfully produced in every republic and oblast. Still another task of local planning agencies is not to allow "surpluses" in the production of particular items when several enterprises become involved in their manufacture and quickly oversaturate the market. The right granted the union republics to establish the total volume of production and the assortment of consumer goods within the limits of the stocks allocated to them will also help toward taking into account the needs of the public more fully.

No proof is needed that the development of the social welfare sphere has priority importance in the activity of local soviets. This is especially important at the present time because of the lag in construction of housing and nursery schools in a number of rayons and cities. The drafting of summary plans for construction of housing and facilities for municipal, cultural and consumer services will undoubtedly help toward better linked and more balanced development of the nonproductive sphere and will promote correct--and, most important, timely solution of social problems at the local level. Summary planning of facilities in the social sphere will not have to begin from zero; it is based on the ever more widespread practice of pooling the funds of customers in the capital construction administrations (divisions) of ispolkoms of local soviets.

As in the union republics, summary sections concerning the entire set of measures in the domain of social development and culture, linked to assignments for development of production and capital construction, will be drafted as a part of plans in union republics, ASSR's, krais and oblasts. It is very important to improvement of regional planning that work with balances, compilation of such planning balances as labor resources, local building materials and fuel, land resources, and personal money income and expenditures, be well organized.

Broadening the powers of kray and oblast soviets of people's deputies and ASSR supreme soviets, as pointed out in the law adopted by the June session of the USSR Supreme Soviet, will promote balanced economic growth and optimum combination of regional and sectoral development.

But compilation of summary plans is only the beginning of the large and crucial job. Councils of ministers of union and autonomous republics and

Isputkomes of local soviets are responsible for monitoring their fulfillment. This is an equally effective instrument whereby soviet bodies can exert vigorous influence on comprehensive economic development and represents an important stage in their efforts toward combination of sectoral and regional planning in practice.

In the construction field the coordinating role of local soviets consists of balancing the intended volumes of construction and installation work with the capacities of construction organizations and availability of manpower to them and of correlating construction of housing and municipal, social and cultural service facilities with dates for activation of production facilities and the growing size of the work force.

This is the direction in which the new procedure for compiling draft plans of construction contracting is aimed. In the republics there are construction ministries whose activity must be planned, just like that of other union-republic ministries. But in actuality it has mainly been planned on a centralized basis, as that of agencies of all-union ministries. Hereafter union-republic construction ministries are to operate in closer contact with republic and local authorities. Draft plans of construction contracting, linked to the capacities of construction organizations and labor resources, will be compiled in republics, oblasts and krais. It will be up to USSR Gosplan to examine the draft plans compiled in the union republics at the same time as it examines the drafts prepared by the respective USSR construction ministries.

Strengthening the comprehensive approach to the development of regions raises the issue of the practice of planning the economy under republic jurisdiction and of compiling plans for approval by local soviets. Up to now assignments for oblasts, krais and ASSR's (and in republics not divided into oblasts--for rayons) have been set forth in the plans adopted by the union republics only for enterprises and organizations under local jurisdiction. Planned assignments for the industrial sector of union-republic ministries (light industry, the food industry, the meat and dairy industry, etc.) were not set for the republics in a regional breakdown. Consequently, local soviet bodies and planning agencies were unable to exert an active influence on the planning of these important industries nor of the production of the bulk of consumer goods, and they bore no legal responsibility for fulfillment of plans for production, say, of whole milk products, meat and meat products, butter, brick, lime, garments, footwear, and so on. Attention should be paid to the proposal for altering this procedure. Union-republic industrial ministries of the union republics would join the gosplans of these republics in drafting plans for the republics in a regional breakdown, which would subsequently be approved as part of the state plan for that republic. Another reason for this is that the production of many of these products depends wholly or largely on local authorities, on fulfillment of the plan for procurement of farm products.

It would also be advisable to examine another question--broadening the powers and responsibilities of Soviets of people's deputies of oblasts, krais and ASSR's and placing certain enterprises and associations whose products are mainly used locally under their jurisdiction.

Planning the comprehensive development of regions, even when well organized, cannot guarantee the meshing of sectoral and regional development. Given the sectoral management of the industrial and construction sectors, the level of organization of the drafting of the regional breakdown of sectoral plans has equal importance.

The General Statute on USSR Ministries, adopted in 1967, pointed out that the sectors should be planned not only as a whole, but also in a regional breakdown in accordance with the tasks of development of both the entire national economy and also of the economy of the union republics and the economic regions. But this requirement has not always been met in practice. In a number of cases USSR ministries resolved problems in development and settled the location of production on the basis of one-sidedly conceived sectoral interests, which are in essence strictly departmental interests. This especially applies to energy-intensive production operations in the European part of the country, where there is a shortage of fuel and power resources, and to the location of a large number of machine tool building and other machinebuilding enterprises in the capitals of the union republics and other very large cities.

That is why ministries confront a task which is exceedingly important in this regard--to improve compilation of draft plans for development of sectors in a regional breakdown and then to carry them out consistently. This means that for every ministry specific measures have to be prepared to encompass all units of the system--from enterprises and associations to the central apparatus of the ministry. Possibly in all-union ministries which have a large number of facilities in various republics and regions it would be advisable to organize specialized subdivisions within economic planning administrations and capital construction administrations. They would thoroughly study the regional breakdown of their particular sector or industry, would discover available reserves and resources, would be more deeply concerned with feasibility studies related to location of intended new construction projects, and would set up constant contacts with republic and local authorities.

Charts for development and location of economic sectors and industries are expected to play an important role in improving the regional breakdown of the plans of sectors and industries. They have been drawn up even in the past--for the period up to 1980 and then also up to 1990. Now a strict procedure has been instituted for their approval by USSR ministries and departments and clearance with USSR Gosplan. The charts are to encompass all aspects of the sector's or industry's development, beginning with the main lines and tendencies of scientific-technical progress. Much help could be given in this regard by the comprehensive program of scientific-technical

progress, which is to be drafted for the 20-year period by the USSR Academy of Sciences, the State Committee for Science and Technology and USSR Gosstroy. The charts of sectors and industries are to take into account the technical advances of foreign science and technology and are to pay much attention to economic analysis and technical-and-economic indicators. The method of devising alternative solutions must be applied far more widely.

In this connection we should dwell on the so-called optimization calculations of the development and location of the branches of physical production. They have been done by a number of ministries and the Main Computer Center of USSR Gosplan independently of the charts of sectors and industries. But since carrying out large-scale optimization solutions ordinarily requires a lengthy period of time, the two lines of preplan research need to be merged into a single major line. The methods of mathematical economics which is a basis for solving optimality problems should become basic in devising the charts of industries and sectors. But working up the proposed solutions in a set of alternatives from which the optimum variant is chosen is possible only with high-speed electronic computers. Yet the result obtained from the computer depends on the information placed in it. Thorough selection of the initial data for working out the schemes of industries and sectors is therefore required.

This principle is well illustrated by the following example. One of the most acute problems is location of energy-intensive production operations, which is determined mainly by the cost of fuel. The cheapest forms of fuel are Tyumen' gas and open-mined coals of the Ekibastuz and Kansk-Achinsk basins. According to the method of VNIKTEP [All-Union Scientific Research Institute of Complex Fuel-Energy Problems] (1978), the imputed costs of extracting Tyumen' gas and Ekibastuz coal at the 1985 level are about 5 rubles per ton of standard fuel. These figures establish the indisputable profitability of locating energy-intensive production operations close to the place where these fuels are extracted. The situation changes essentially when the fuel is evaluated on the basis of so-called marginal costs, which are sometimes used, though there is no basis for it, in deciding the location of production. According to those costs, Tyumen' gas at the place of extraction has been evaluated at 13 rubles per ton of standard fuel for the period 1981-1985, and Ekibastuz coal at 7-10 rubles per ton of standard fuel ("Rukovodyashchiye ukazaniya k ispol'zovaniyu zamykayushchikh zatrat na toplivo i elektricheskuyu energiyu" [Instructions Governing Use of Marginal Costs for Fuel and Electric Power], Moscow, Nauka, 1974). These estimates have now risen even more. And when a number of cost-increasing factors in the eastern regions of the country are taken into account, it then becomes possible to defend the location of energy-intensive production operations in the European part of the USSR. Consequently, the recommendations obtained for location of energy-intensive production operations will depend on the fuel-cost figures used in the calculations. It is a very important task, then, to work up and approve the initial data used in assigning value to resources and also various standard indicators projected for the future. Some of them, those, for instance, related to the value of fuel and electric power, have universal importance

to all sectors and industries. But they have a differing impact (depending on the specific rate and volume of consumption) on their development and location, and accordingly they necessitate a thorough approach and should receive priority treatment. The unified efforts of specialists of VNIKTEP, SOPS [Council for Study of the Productive Forces], and other scientific research institutes responsible for guidance as to the methods used in compiling the charts of sectors and industries, are needed here.

The location of productive capacity on the charts of sectors and industries should be substantiated by regional balances of production and consumption of the most important products. This part of the chart should begin with the preliminary balance and end with the variant of that balance that has been adopted. Such balances can render essential assistance in proper location of the productive forces and preparation of drafts of the Main Lines and 5-year plans of USSR economic and social development as well. USSR Gosplan will compile them jointly with USSR Gosstnab. But their role does not end here by any means. When no substantial changes whatever in the location of production are foreseen (for example, over the 5-year period), the regional balances retain their significance to improvement of the planning of material and technical supply and freight traffic. They will become the basis of the most economical assignment of consumers to suppliers so as to take into account establishment of long-term business relations, and consequently will also be the basis for charts of optimum freight flows in the transportation system. A saving should thereby be achieved on distribution and shipping costs and a reduction and then elimination of cross hauls and other unoptimal shipments, making for improved utilization of the capabilities of the transportation system. The reference is above all to bulk and volume freight and also energy-intensive products whose production involves shipment of a large amount of fuel. For purposes of planning the list of products pertinent to regional balances, and likewise the network of regions for which they will be drafted, it would be advisable to have a differentiated nomenclature--consolidated for the stages of the charts and main lines, and more detailed and specific for 5-year and annual planning work.

It is necessary that the various charts of sectors and industries be compiled for a uniform network, which will make it possible to use them effectively in devising the General Chart for Location of the Productive Forces of the USSR. This approach does not preclude specialized regionalization concerning location of agriculture (in accordance with soil and climate zones), construction and certain industries, including identification of the regions, areas and centers of their concentration.

The sectoral and regional principles will be combined in carrying out measures to improve the regional breakdown of sectoral plans. For example, the drafts of these plans, which are to be prepared by USSR ministries and departments, are to be examined by them jointly with councils of ministers of union republics. It has also been provided that the union republics would be involved in drawing up the charts of sectors and industries. It is

quite obvious that a precise procedure would have to be defined for implementing these important principles.

One of the principal directions for improving planning in the present stage is to introduce the target-program method. Comprehensive target programs should become an exceedingly important component of multiannual state plans of economic and social development.

They would also include programs for development of particular regions and regional industrial complexes, which would be linked to the sectoral and regional sections of the plan. Depending on the scale of the tasks to be performed, they might be nationwide (all-union) or confined to the republic. By regions [regiony] are meant large parts of the country (for example, the Nonchernozem Zone, the BAM [Baykal-Amur Main Rail Line], Siberia as a whole and so on) and not just any area all the way down to the lower-level administrative rayon, as is assumed in certain writings which have appeared recently. Nor should the regions [regiony] be identified with the economic regions [rayony] of the USSR, which are based on the principle of specialization in the all-union economy.

A program for development of the Nonchernozem Zone, its agroindustrial complex, is in fact being carried out over the next several years. In the upcoming 5-year period performance of the program for economic development of the BAM Zone will begin. Scientific research institutes of the Siberian Department of the USSR Academy of Sciences and RSFSR Gosplan have been working to compile it. Now USSR ministries and departments and their project planning and scientific organizations have become involved in the project so that by the spring of 1981 we will have an elaborate long-range program for development of this zone's productive forces. As the various sections of the rail line are completed, local regional industrial complexes will be built up around rich natural resources (coal, iron and copper ores, timber, etc.) and convenient transportation connections. Industrial centers will spring up, and the population will grow very rapidly. The principal aim of the program which is being drafted for the BAM Zone is to ensure in advance that a planned character is imparted to this process and that the extensive zone extending more than 3,000 km is treated not just in parts, but also as a whole.

Under the supervision of VNIKTEP of USSR Gosplan a program is being drafted for development of the West Siberian petroleum and gas complex. But it is more specialized in nature and is an example of sector-regional programs. The program of the fuel and energy complex based on the Kansk-Achinsk basin belongs to the same type. But whereas it is unfeasible to develop large-scale manufacturing industry in the extreme northwest of Siberia because of natural conditions, the picture is quite different in the central part of South Siberia adjoining the Transsiberian Railroad. In the 11th Five-Year Plan, then, our scientific research organizations will be doing serious work on the problem of shaping a large multisector regional industrial complex in the zone of the Kansk-Achinsk basin. Aside from

open-cut coal mines and power stations, plans call for it to include large energy-intensive enterprises (nonferrous metallurgy and the chemical industry) so that as much as possible of the fuel and electric power will be utilized on the spot. Programs will also be compiled for future development of other regional industrial complexes which have already been created.

Recently we have had occasion to encounter unsound proposals for the formation and even planning of new regional industrial complexes. A careful examination shows that the reference is to regions where the natural resources have yet to be studied or where there are individual enterprises which are not related to one another from either the technological or the economic standpoint. In such cases there is no basis for speaking of a regional industrial complex. Sometimes the term "regional industrial complex" is given to large cities, which, however, represent another and equally complicated form of spatial organization of the productive forces and production relations--the industrial center, which is a regional socio-economic complex. This is a manifestation of the lag of economic science, which has not yet sufficiently worked out the system of concepts and terms of regional economics.

In accordance with the decree of the CPSU Central Committee and USSR Council of Ministers dated 12 July 1979, especial attention is to be paid to development of the productive forces of Siberia and the Far East, where the bulk of our fuel and power, water and land resources, as well as a large number of major deposits of metallic ores, is concentrated. That is why USSR Gosplan has been ordered to join the RSFSR Council of Ministers and interested USSR ministries and departments in examining schemes for development and location of the productive forces of the regions of Siberia and the Far East and the regional industrial complexes included in them. Whereas for other regional industrial complexes of all-union importance summary capital construction plans will be compiled to ensure synchronized activation of interrelated projects, for the regional industrial complexes of Siberia and the Far East USSR Gosplan will assign all the principal indicators of development and will monitor progress in their fulfillment.

The schemes for development and location of the productive forces of the union republics and economic regions are to play a paramount role in the preplanning stage of solving the problem of the priority of regions. Selection of the priority regions depends upon the sum total of favorable natural resources and economic conditions for growth of the particular sectors and industries and production operations. Yet at the same time the problem of priority should be properly combined with the requirement of proportionality. Otherwise intersector and interregional (geographic) disproportions will arise.

Many materials on methods and normative materials have been issued or prepared to elaborate the decree of the CPSU Central Committee and USSR

On the basis of the decision adopted 12 July 1979, a decree of USSR Gosplan is in effect. From the beginning of drafting regional programs has been adopted the principle of combined aspect of planning. Preparation of instructions on economic development, sectoral and regional charts and principles concerning them has been completed. During the work on them substantial work has been done in the methodological and methods work of research institutes of USSR Gosplan. These exceedingly important questions will not been given their proper place, nor have the most experienced specialists been assigned to them. It is disturbing that highly qualified specialists are not being working on regional aspect of planning. This situation should be corrected as soon as possible. These problems should be leading topics in the work of research institutes of USSR Gosplan. The training of the specialized personnel in these fields can be organized through seminars and at one of the institutes. It is very important to find the conditions for creating sectoral and regional subdivisions in the organizational structure of USSR Gosplan and the gosplans of the union republics.

In connection with increasing the strength of local planning agencies and increasing the turnover or regeneration of their personnel is becoming an important task connected with the duties they are now being given in planning economic, cultural and social development under the decree of the Central Committee of the CPSU and USSR Council of Ministers adopted 12 July 1979.

The present stage in development of socialist government requires an improvement in the activity of local planning agencies, gosplans of union republics and USSR Gosplan that will ensure that our party's course toward centralization of sectoral and regional planning is carried out. The importance of this is growing particularly with the crucial tasks confronting planning agencies in compiling the draft plan of the 11th Five-Year Plan and of preparing for the 26th CPSU Congress.

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LOCAL SOVIETS URGED TO AID KRASNOYARSKIY KRAY DEVELOPMENT

Kray Planning Commission

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Article by A. Mukoyed, first deputy chairman of the Executive Committee of the Krasnoyarskiy Kray Soviet of People's Deputies: "Local Soviets and the Comprehensive Development of Productive Forces"

Krasnoyarskiy Kray has at its disposal highly effective natural resources that are unique with regard to their reserves: fuel, hydro-electrical, mineral and raw material, and timber resources. For example, concentrated on the territory of the kray is more than 40 percent of our country's coal reserves, one-sixth of the hydroelectrical resources, one-fifth of the timber resources, very large deposits of ores of nonferrous, precious, and rare metals, iron ore, graphite, stone coal, and raw materials for the building industry. According to scientists' forecasts, the bowels of the earth in Krasnoyarskiy Kray are rich in petroleum and gas. Making all this wealth serve our country's national economy within compressed periods of time is the chief task that has been posed for the territory's workers by the decisions of the 24th and 25th CPSU Congresses.

In order to guarantee the resolution of that task, a long-term program was adopted for the creation there of a regional territorial-production complex (RTPK), the basic indicators for the development of which are approved in the plans for the economic and social development of the country and of the republic in a separate section.

There has already been a new definition here of the nature and capabilities of the participation of the local Soviets in planning the development of the kray's national economy and the practical implementation of the tasks that have been assigned to such a large-scale region as Krasnoyarskiy Kray is.

The implementation of the program made it possible within the current decade to double the kray's industrial potential, to assure the accelerated development of power engineering and energy-consuming production

concerning the planned development of agriculture, transportation, and communication, to fulfill the large program of social development, and to achieve a considerable rise in the level of prosperity of the kray's population. At the same time the implementation of that program provided the opportunity to improve the territorial structure of production and to ward the interbranch disproportions, and contributed to the proportional development of the nonproductive sphere.

The new Constitution and the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality," legislatively reinforced for the local Soviets not only their rights, but also at the same time their responsibility for the comprehensive economic and social development of the territory.

The local Soviets and their planning agencies, carrying out, under the leadership of the party's kray committee, the organization and monitoring of execution in planning the development of the branches of the national economy, view it as a single mechanism that has a complicated interrelated structure.

(2) (Qual). Krasnoyarskiy Kray RTPK includes several subregional (RTPK) territorial production complexes: the Sayanskiy; Central-Krasnoyarskiy, with the isolation of the Kansk-Achinskiy fuel and energy complex (KATSE) which is unique in its scope and importance; the Arzhan-Angarskiy, and the Severo-Krasnoyarskiy. In turn, the subregional RTPK's contain industrial centers and individual industrial and agro-industrial enterprises and complexes.

During the past nine years the kray has been converted into a single complex of numerous interrelated production entities. Here are examples of only a few such connections: the Kiya-Shaltyrskiy Nepheline Mine - Achinskiy Alumina Combine - Krasnoyarskiy Aluminum Plant - Krasnoyarskiy Metallurgical Plant; Noril'skiy Mining and Metallurgical Combine -- Tuimskiy Nonferrous-Metals Processing Plant in Khakassiya -- Minusinskiy Electrical-Engineering Complex; Achinskiy Petroleum Refinery -- petrochemical enterprises in the cities of Krasnoyarsk and Chernogorsk.

And there are dozens of such connections in the kray. In turn, the final enterprises in the cited examples alone -- the metallurgical plant, the electrical-engineering complex, the petrochemical plants -- produce hundreds of kinds of consumer goods, as well as components for dozens of other enterprises in the kray. The formation and development of Krasnoyarskiy Kray as a single RTPK dictates a special necessity of assuring the synchronous nature of activation and subsequent operation of the interrelated enterprises and production entities. And that depends upon the coordination of numerous factors which must be taken into consideration in the single comprehensive, long-term, five-year, and annual plans

for economic and social development. It is precisely here that one sees the intersection, in their unity and contradiction, of the branch interests and the territorial interests -- a task, the successful resolution of which greatly depends upon the active work of the local Soviets, and upon their use of their rights.

The decree of the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality" poses large tasks for the local Soviets in achieving the further rise in the level of planning work in the national economy, especially in the territorial aspect, in accelerating the activation of projects and capacities, in intensifying the yield of the capital investments that have been made, and in further developing cost-accounting (financial) relations in production. The territorial aspect includes such questions as the use of the land, protection of the environment, the use of labor resources, the production of consumer goods, the providing of social-cultural and everyday services to the population, and questions of housing-and-communal construction.

In conformity with the decree, the administrations and sections of the local Soviets and their planning agencies are given the highly responsible task of monitoring the efficient combination of the principles of branch and territorial planning when preparing long-term, five-year, and annual assignments for the economic and social development of the kray, its rayons and cities, and also the industrial centers and territorial-production complexes.

I would like to dwell on a number of difficult questions which the executive committee of the Krasnoyarskiy Kray Soviet of People's Deputies has to deal with in the course of fulfillment of the plans that have been set down, without the resolution of which the comprehensive development of the kray's economy and culture would be impossible.

In our opinion, it is necessary to make a fundamental change in the attitude taken by the ministries, departments, and planning agencies toward the implementation of the schemes for the industrial centers and their center-wide projects, toward the carrying out of inter-center coordination of the production in the subregional TPK's, the creation of single transportation schemes, etc. The practice and experience of the formation in the kray of industrial centers with single, center-wide projects and a single city have demonstrated the exceptional desirability and effectiveness of this method of placement and development of industrial enterprises. At the same time, the results of recent years indicate that in the questions of the formation of industrial centers and in the planning of them, there still exist major shortcomings that reduce the effectiveness of the work.

The proper benefit can be achieved only if there is precise interaction among all the enterprises and ministries -- the lead builders and

shareholders. But, unfortunately, that interaction does not exist. The ministries continue to fail to fulfill the decrees adopted by USSR Gosplan and USSR Gosstroy and the Statute governing the procedure for the designing, planning, and financing of the construction of projects that are common for a group of enterprises (industrial center), and they also have been fulfilling poorly the functions of lead builders and have not been transferring the funds for shared participation.

This occurs, apparently, not only because the ministries sometimes carry out their own narrowly departmental policy, but also because, in the initial situation, there are "vent holes" for nonfulfillment of the approved schemes for the industrial centers and the deadlines for contribution of the shared funds. In the decree of the CPSU Central Committee and the USSR Council of Ministers concerning the improvement of planning, special emphasis is placed upon the stability and the balanced state of the five-year plans. In this regard it is necessary for the schemes for the industrial centers and center-wide projects that are being formed, after they have been approved, to take on the force of the State Plan and to be reinforced, by all its indicators in a central procedure, through the USSR Gosplan and the ministries. Without this approach it will be impossible to achieve precision and comprehensiveness in the development of the TPK as a whole.

It is quite necessary to devote special attention to the resolution of the questions linked with the permanent assignment of personnel, including by means of the accelerated development of branches of the nonproduction sphere, the guaranteeing of normal ecological conditions which must take their proper place in the plans for social and economic development.

The local Soviets in Krasnoyarskiy Kray have carried out a large amount of work to develop such plans. Thirteen hundred enterprises, organizations, and populated places have these plans for 1976-1980. A social record-card and schematic maps for the social infrastructure of the kray have also been prepared. However, a number of ministries and departments are violating the principle of comprehensiveness during the designing and construction of very important enterprises and complexes; are planning to build in the populated places being newly formed at the industrial centers only housing and children's preschool enterprises, and even that, as a rule, is not in complete volume; and are refusing to invest funds in the construction of schools, hospitals, clubs, sports structures, or engineering-support projects.

An example of this incorrect approach is the construction of the Minusinskiy Electrical-Engineering Complex -- a gigantic enterprise consisting of 12 large-scale plants which will produce output that is extremely important for the further rise in the labor productivity at the country's enterprises, output that has been called upon to increase their rate of provision with energy, and to automate and mechanize the production processes. The electrical-engineering complex is being created 10-12 kilometers from the ancient Siberian city of Minusinsk, with a population

(1) *Unemployed people.* Attention is also paid to the fact that new housing areas whose population will be more than 200,000 persons. Dozens of buildings have been erected and are being filled by the complex's workers and engineers-technical workers. But, for the time being, very little is being done to provide for the cultural and everyday needs of the population in the new complex. Two plants are already producing output, but the USSR Ministry of the Electrical-Engineering Industry has not yet approved a combined computation for the creation of the entire complex, or, in particular, for the section pertaining to housing and cultural-and-everyday construction. The kray's executive committee was forced to warn the board of directors of the electrical complex and the Ministry of the Electrical-Engineering Industry that it would not authorize the occupancy of the apartment buildings and would stop the construction of housing if the questions of cultural and everyday support were not resolved.

We can cite other examples when the managers of enterprises under construction and their ministries have failed to show concern for the nonproduction projects. As a result, the capacities to be activated prove to be unprovided for. The *Pravda* newspaper said: "their assimilation drags out for many years."

It would appear to be desirable to require the ministries and departments to anticipate in the combined estimates for the enterprises to be built the comprehensive construction of projects destined for social, cultural-everyday, and communal use, and to require USSR Gosplan to allocate, in the five-year and annual plans, to to the appropriate ministries and departments the necessary capital investments for those purposes. Simultaneously, for purposes of increasing the effectiveness of construction in small cities and the newly created cities in the kray, it would also seem to be desirable to require USSR Gostroy and USSR Gosplan to impose the functions of the lead builders in the cities being formed upon the lead builders of the industrial centers or upon the board of directors of other large-scale enterprises that are part of the industrial center, as was done, for example, in the construction of the projects at the Kansk-Aldinskii Fuel and Power Complex, the Krasnoyarskiy Heavy-Excavators Plant, the Sayano-Shushenskaya GES, and a number of other large-scale construction projects in the kray.

The local Soviets, in our opinion, are incapable of carrying out, within short periods of time, the tremendous volume of work involved in the construction of the previously mentioned projects at the cities that are being newly created, as a result of the lack of funds and the corresponding service organizations, which would be able, in small cities, to carry out the functions of contractor for such large and complicated volumes of work. Moreover, it would scarcely be desirable to impose upon them the functions of builders of housing or projects destined for social, cultural-everyday, and communal use for the large-scale industrial complexes that have been situated close to small cities in the kray, such as Minusinsk, Nazarovo, and Sayanogorsk. The population there is only one-fourth to one-third, if not many times smaller, than the population that will be living in the housing areas being created for the industrial enterprises.

For large-scale cities, this form is acceptable, since city URS [administrations of capital construction], component-parts bases, etc. have been formed there. But for small cities, when it is only considered that the enterprise is located in the city, the formation of the existing city executive committee in the role of builder in the nonproductive sphere for a large-scale industrial complex is similar to the attempt to sew a suit onto a button. That city executive committee under such conditions would be changed, it seems to us, from an agency that has been called upon to carry out the duties entrusted to it by the Constitution, into an ordinary economic organization -- a builder -- with all the negative consequences evolving herefrom. And the enterprise managers in this instance would completely lose their responsibility for the formation and reinforcement of their collective.

Another important question to which the local Soviets attach great importance is the resolution of the problem of the production infrastructure, a bottleneck which, in the final analysis, determines the success of the overall job. For example, something that has become a major inhibitor in the development of the Sayanskiy TPK is the transportation system that links the industrial centers of the TPK; the inadequate handling capacity of the motor roads and bridges on the Abakan and Yenisey Rivers in the area of the cities of Abakan and Minusinsk. And that problem must be resolved in a coordinated manner, with the shared participation of all the very large enterprises in the Sayanskiy TPK. The kray executive committee has been persistently raising that question, has already received support in resolving it from RSFSR Gosstroy and Gosplan. In our opinion it is necessary to act in the same manner when resolving the problem of the formation of the large-scale Kodinskiy industrial center in the area of construction of the Baguchanskaya GES. All the interested enterprises of USSR Minenergo, Minbumprom, USSR Minlesprom, and MPS [Ministry of Railroads] must, in this matter also, jointly resolve the questions of financing of other projects, because that determines the deadlines for activation of the hydroelectric power station, as well as the development of the large-scale timber-industry complex. Here too it is necessary to have a thorough party approach to the job on the part of every manager, his awareness of the fact that the fate of the comprehensive program depends not upon the immediate benefits that can be derived by the enterprise that resolves its problems on a local basis, but upon that large joint work performed by the interrelated enterprises and branches, thus guaranteeing the success of the overall job and subsequently providing the maximum return for each enterprise.

Complicated and responsible tasks confront the workers of Krasnoyarskiy Kray in 1981-1990. In conformity with the party and governmental decisions that have recently been adopted, in the 11th Five-Year Plan we shall see the especially rapid development of the branches that determine technical progress: electrical-power engineering, nonferrous and ferrous metallurgy, chemistry and petrochemistry, and machine-building. An area that will become exceptionally important is the intensive development of agriculture, including the development of animal husbandry for dairy purposes and sheep

breeding in the area when the TPK's and industrial centers are being formed. Here too the predominant development of the nonproduction sphere is becoming a task of primary importance. When preparing for the resolution of these tasks, the local Soviets in the kray carry out -- under the guidance of the kray's party organization with the participation of USSR Gosplan, RSFSR Gosplan, and the ministries and departments of the USSR and the republic -- a large amount of work to prepare the comprehensive program for the development of the productive forces of Krasnoyarskiy Kray in 1981-1990.

Located in the center of the program for the comprehensive development of the productive forces are the questions of establishing efficient inter-branch and territorial proportions; of guaranteeing the efficient territorial organization of the managements in the kray on the basis of the further development of the branches of industry that determine the accelerated involvement of the highly effective natural resources in national-economic turnover; of intensifying agricultural production with the development of interfarm cooperation and agro-industrial integration and the creation of favorable conditions for permanent assignment of personnel in rural areas; of guaranteeing a rise in the level of prosperity of the population, the creation of favorable conditions for attracting personnel to the kray and keeping them there, in protecting the environment, etc. The fulfillment of this program will require the more active work of the local Soviets, the increase in their role in the coordination of all the factors that influence the development of the economy and culture, and in the intensification of the territorial aspect of planning.

We have already accumulated a definite amount of experience in territorial planning in combination with branch planning. For example, the kray executive committee influences the questions of territorial planning with the aid of an interdepartment commission for placing the enterprises in the kray; through a system of formation of industrial centers with center-wide projects; by means of coordination of the TEO [technical and economic substantiations] and, in individual instances, the technical plans for the enterprises to be located in the kray; by using the system of developing and approving the regional plans and the general plans for populated places; and also by submitting annually for coordination the comprehensive plans for the economic and social development of the kray to USSR Gosplan and RSFSR Gosplan, and also to all the ministries and departments.

However, this work alone is insufficient for having the kray's Soviet of People's Deputies carry out in full measure its constitutional duties with regard to the comprehensive economic and social development of the territorial that is subordinate to it, under conditions of the formation of several large-scale TPK's and a considerable number of industrial centers. The subordination of the enterprises that are part of the TPK's and the industrial centers chiefly to union ministries creates for the kray executive committee, every day, a mass of large-scale and current questions that require efficient resolution and coordination. That is

why the kray committee of the CPSU and the kray executive committee adopted a decision to create a special kray coordination Council for TPK's and industrial centers. Nevertheless, it seems to us that even this public Council is insufficient for the timely coordination of all the questions that arise. The capabilities of the kray executive committee itself are extremely limited by virtue of the shortage of workers and the structure that has developed at the kray planning commission and the other sections of the kray executive committee. At the present time, for example, all questions of the formation of the RTPK and the industrial centers are carried out by the Long-term Planning Section of the kray planning commission, made up of three persons, at the stage of development of recommendations for the long-term development of the kray's productive forces. But, practically speaking, it is impossible for them to engage in an analysis of the present-day status or the monitoring of the implementation of the comprehensive plan, or especially in any time-responsive interference, and, incidentally, this is not provided for by the standard tables of organization. As a result it is extremely necessary, in our opinion, to reinforce considerably the kray's planning commission, creating as part of it a number of sections that would be able to carry out planning and analysis on a scale that covers the entire territory. It has also become necessary to create a special section at the kray executive committee dealing with the territorial-production complexes and industrial centers, which section would carry out the current operational-organizational functions within the limits of the competency of the kray Soviet and with a consideration of its increasing tasks in the area of managing the economy. It would seem that the time has come to increase the rights of the local Soviets also with regard to the mandatory coordination of the technical plans for the enterprises to be newly constructed or to be remodeled, and subsequently, at the later stages of planning, to take into consideration, in the plans for the development of the branches, the comments and recommendations that have been made by the local Soviets.

In the opinion of the kray executive committee, the resolution of these questions would make it possible to increase considerably the quality and effectiveness of the work performed by the local Soviets in managing the comprehensive economic and social development in the administrative regions that are subordinate to them.

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Councils for TPK's and PU's

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[Article by B. Lazarev, Doctor of Legal Sciences, and I. Bachilo, Candidate of Legal Sciences: "Local Soviets: Territory and Branch"]

[Text] The creation of territorial-production complexes (TPK) and industrial centers (PU) is an important step in the comprehensive economic and social development of the country as a whole and of its regions. What, though, is a TPK? It is that form of organization of production which is aimed at the

the most efficient use of the natural resources of a definite region and presupposes the formation and development there of production entities with a linked technological cycle. For example, the very rich resources of Siberia and the Far East made it possible during the past five-year plans to create powerful complexes of a fuel and energy nature, on the basis of which TPK's of a broader area of specialization, which are oriented at the complete assimilation of the wealth of the region, are being formed. For the resolution of general problems of formation of the production and nonproduction infrastructure, which pertains to one type or several types of territorially linked production entities, but not forming a TPK, use is made of a different form -- the production center.

Their creation and development make even more vital the problem of the correct combination of the state-wide and local interests, and the economic and social factors. For example, in order to meet the needs of the population for employment, production is the base, and for production, personnel, their provision with the socioeconomic and cultural means of existence serves as the condition for its development. All the plans now stipulate economic and social factors in their unity, and in them a more and more important place is occupied by programs for the creation both of complexes and of industrial centers.

Their formation and development is a problem which is primarily economic. One can see sufficiently clearly the sphere of legal-organizational problems that require fixed attention, especially with the technology of development and coordination of various planes, including comprehensive programs. Less attention is devoted to questions of the system of organs itself, which are necessary for supporting the designing, creation, and functioning of the TPK's and PU's. One of the most complicated problems consists in preserving the branch principle of administration of industry while assuring the most coordinated participation of the ministries, their subordinate associations and enterprises in the planned, comprehensive development of the economic regions.

By decree No. 695 of the CPSU Central Committee and the USSR Council of Ministers, dated 12 July 1979, as is well known, specific measures have been stipulated for the development of the territorial-production complexes of Siberia and the Far East. In the functional aspect, in the center of this problem is the coordination and demarcation of the spheres of the traditional and target-program planning, and, in the legal-organizational aspect, the determination of the system of agencies, their interaction, concrete functions, and powers in assuring the development of the TPK's and PU's proper as a component part of the territorial-production complex.

The city and rayon Soviets of people's deputies take active part in their formation, acting in the name of state-wide interests. Take, for example, the city of Achinsk, Krasnoyarskiy Kray. An industrial center is being created there in conformity with a scheme for the general plan that was approved by USSR Gosstroy. The petroleum refinery that is being constructed and the alumina combine that is already in operation will have engineer

networks in common, thus proving a great saving of funds. In the future it is planned to create a chemical complex there on the basis of the petroleum refinery. Already, in accordance with the scheme for the general plan of the center, the TETs at the alumina combine is being expanded, a common heating network is being built, the filtering station for drinking-water supply is being remodeled, new lines in the water main and purification structures are being laid, and the building at the ATS [automatic telephone exchange] is being expanded.

The creation of the industrial center from the very beginning has occurred and is still occurring with the active participation of the city's party and Soviet agencies. They supported first of all the very idea of the creation of an industrial center there, and formed a commission which set down the draft version of the plan, and they subsequently began to coordinate and monitor construction as a whole. Questions of water supply, heat supply, and sewerage were discussed, for example, at the executive committee of the city Soviet, where specific deadlines were mentioned for the designing and construction of each project. A decision was also made at that time concerning the shared participation of the enterprises in the financing of the construction of projects for the entire branch.

Later the executive committee of the city Soviet repeatedly considered at its sessions the rate of construction of the communication lines and projects designed for the center as a whole.

While checking the manner of execution of the planned operations, the executive committee of the city Soviet discovered, for example, serious shortcomings in the construction of the engineering communication lines in the part of the city near the railroad station and set down a program to correct the situation that had been created.

As we can see, the participation of the city Soviet in the creation of the TPK and the industrial center is extremely tangible, but they do this basically on their own initiative. And apparently this activity of theirs needs broader and more detailed legal regulation. In our opinion, this role of the local Soviet must be reflected in the overall normative documents that define the procedure for creating and developing territorial-production complexes and industrial centers.

The basic work load with regard to the assimilation, protection, and restoration of local resources lies, as is well known, with the oblast and kray agencies of local authority. It is those agencies that bear the responsibility for the state of the nonproduction and social infrastructure during the creation of the TPK's and PU's.

In the USSR-adopted 25 June 1980, "The Basic Powers of the Kray and Oblast Soviets of People's Deputies, the Soviets of People's Deputies of the Autonomous Oblasts and Autonomous Districts," there is a precise definition

of the basic directions along which the further improvement of the activities of the Soviets should proceed. And one of the chief directions is the intensification of their role in the development of the economy. In particular, in paragraph 5 of Chapter II of the Law, it is stated that the Soviet "takes part in developing regional and other programs that provide for the formation and development of territorial-production complexes and industrial centers that are situated on the Soviet's territory.

The problem of coordinating the functions and powers of the various agencies of local authority, as well as the departments that are linked with the creation of TPK's and PU's, cannot be resolved unambiguously. Experience shows us that this work consists primarily in the formulation of overall targets, the concentration of the efforts of all the participants in the administration. The most efficient legal form might be the target programs. The practice of Tyumenskaya Oblast and Krasnoyarskiy Kray indicates that it is also possible to have a series of programs that include both the nation-wide target programs and territorial ones, on the scale of the oblast or kray; both interbranch and branch programs.

Experience shows us that in the territorial comprehensive program of the kray or oblast, there may be problems which can be resolved independently by the local agencies of authority and administration, as well as those that require the coordination and monitoring, or some other participation, on the part of the territorial agencies of administration.

The practical of creation of TPK's in Krasnoyarskiy Kray makes it possible to give a graphic idea of that system of administration. The low-level agency is the board of directors, or a council of directors, which consists of the managers of the production entities that are included in the TPK or PU. The second link is the coordination center attached to the executive committee of the Soviet of People's Deputies in the city or rayon on the territory of which those production entities are being built. This coordination center operates under the guidance of the rayon or city CPSU committee and the rayon or city executive committee. The third level is made up of individually by the coordination council for the TPK and PU of the kray and the section for the TPK and PU, attached to the executive committee of the kray or oblast Soviet of People's Deputies.

The activity of these councils must be regulated by the corresponding normative principles. These must include the documents that define the procedure for the relationships among the organizations that are taking part in the administration of the functioning of the TPK or PU. These are the Standard Contract Governing the Cooperation of the NII [scientific-research institutes] of Various Ministries and Departments; Conditions for the Unification of Funds and Resources; etc. The work experience of the Minusinskiy Coordination Council for TPK's indicates that an important role is assigned here also to such documents as the Statute Governing the Challenge Red Banner and Special Prize Pennant for Collectives Participating

in Creative Scientific-Technical Cooperation.

The Institute of State and Law, USSR Academy of Sciences, jointly with the party and Soviet agencies of Krasnoyarskiy Kray, developed draft versions of statutes dealing with the kray coordination council for TPK's and PU's and with the section for TPK's and PU's of the executive committee of the Krasnoyarskiy Kray Soviet of People's Deputies. Those drafts stipulate the development and use of labor resources, the planning, designing, and carrying out of general plans and schemes for the development of the cities and populated places in the regions of the TPK's and PU's, with a consideration of housing-communal and cultural-everyday construction, as well as the production and sale of consumer goods to be produced by the enterprises which are part of the TPK; the development of the kray's agriculture for the purpose of providing the labor resources with food supplies produced by the kray itself; the development of local businesses with a consideration of the waste products and unused resources of the TPK's; etc.

It is all this that constitutes the basic content of the competency of the economic and social development, the responsibility for assuring which is entrusted by the Constitution to the Soviets of People's Deputies.

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